



PRODUCER PRICE INDEX (MANUFACTURING AND MINING)
THIRD QUARTER 2014

23TH October, 2014

Introduction

The Producer Price Index (PPI) measures the quarterly changes in prices of goods produced by Manufacturing and Mining Industries. The pricing point is ex-factory or ex-mining and excludes trade and transport margin and taxes.

An initial PPI was compiled on a reference base of September quarter 2011 and with weights derived from the 2008 Census of Industrial Production (CIP). The index has since been rebased to June quarter 2013 and weights derived from 2012 CIP.

In this publication, the rebased series have been linked to the initial index at the Division and Section level of the International Standard Industrial Classification (ISIC) rev 4, and for the total PPI, at June quarter 2013. Continuous indices are presented for the period September quarter 2011 to June quarter 2013. It should be noted that indices for two of the divisions contained in the new index were not included in the initial index; indices for these divisions start with June quarter 2013

Price Collection

In the new PPI, Prices are collected from thirty four establishments in Zanzibar; nine in Pemba and twenty five in Unguja. A sample of five establishments was selected to represent quarrying and 29 for manufacturing making a total of 34 establishments.

Analysis

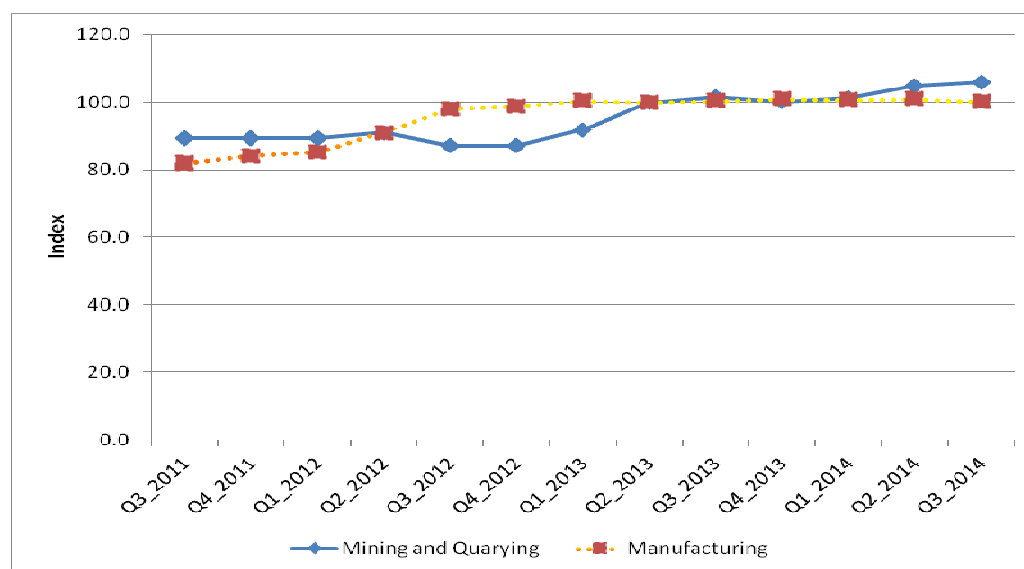
The movement of the PPI index in September 2014 decreased to 100.44 compared to 100.87 recorded in September 2013 this resulted the percentage change of -0.43. The movement of Mining and Quarrying in September 2014 decreased to 105.90 compared to 113.07 recorded in September 2013 this resulted -6.34 percentage changes. The movement of Manufacturing in September 2014 decreased to 101.23 compared to 100.40 recorded in September 2013 this resulted -0.17 percentage changes. **(Table 1)**

The movement of the PPI index in September 2014 decreased to 100.44 compared to 101.25 recorded in March 2014 this resulted the percentage change of -0.80. The movement of Mining and Quarrying in September 2014 increased to 105.90 compared to 104.79 recorded in June 2014 this resulted 1.06 percentage changes. The movement of Manufacturing in September 2014 decreased to 100.23 compared to 101.11 recorded in June 2014 this resulted -0.87 percentage changes. **(Table 1)**

Table 1: Changes in Producer Price Indices for September, 2014

		Weight (2012, CIP)	Q3_2013	Q2_2014	Q3_2014	% Change (Q3_2014)/ (Q2_2014)	% Change (Q3_2014)/ (Q3_2013)
A	TOTAL PPI	100.0	100.87	101.25	100.44	-0.80	-0.43
B	MINING AND QUARRYING	3.7	113.07	104.79	105.90	1.06	-6.34
8	Other Mining and quarrying	3.7	113.07	104.79	105.90	1.06	-6.34
C	MANUFACTURING	96.3	100.40	101.11	100.23	-0.87	-0.17
10	Manufacture of food products	48.3	98.44	97.18	96.04	-1.17	-2.43
11	Manufacture of beverages	11.0	98.09	88.81	88.81	0.00	-9.46
14	Manufacture of wearing apparel	3.1	102.32	104.03	104.03	0.00	1.66
15	Manufacture of Leather and related product	0.8	100.00	107.72	107.72	0.00	7.72
18	Printing and reproduction of recorded media	3.2	106.13	111.49	102.39	-8.16	-3.53
20	Manufacture of chemical and chemical product	5.2	100.00	104.79	104.79	0.00	4.79
22	Manufacture of rubber and plastics products	0.6	100.00	103.18	103.18	0.00	3.18
23	Manufacture of other non-metallic mineral products	15.9	100.00	103.34	103.34	0.00	3.34
31	Manufacture of furniture	8.2	113.10	128.10	127.97	-0.11	13.15

Source: Office of Chief Government Statistician

**Figure 1: Trend of Mining, Quarrying and Manufacturing Index (Sept 2011 to Sept 2014)**

Source: Office of Chief Government Statistician

The overall Index in Mining, Quarrying and Manufacturing presented in Figure 1 shows that the prices of goods in ex-factory or ex-mining increasing. In September 2011 to September 2014 the index ranged 80.00 to 100.44. In September 2014 the movement of the index for Mining and Quarrying slightly increased to 105.90

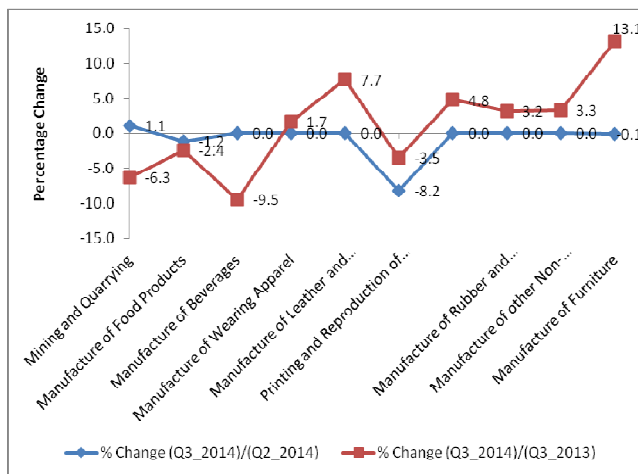


Figure 2: Percentage Change of Index by Division
Source: Office of Chief Government Statistician

The Manufacture of Food Product fell by 1.17 percent between September 2014 and June 2014 . The Printing and reproduction of recorded media fell by 8.16 percent between September 2014 and June 2014. The manufacture of furniture fell by 0.11 percent between September 2014 and June 2014.

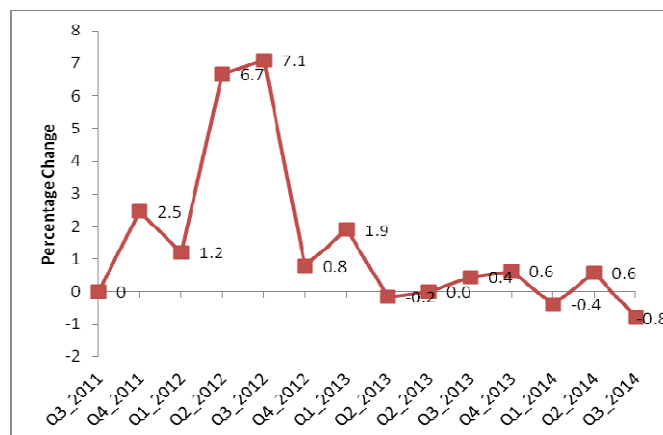


Figure 3: Trend of PPI in Manufacturing and Mining (Percentage Change)
Source: Office of Chief Government Statistician

The total producer price index in manufacturing and mining increased by 7.1 percent for the year ending September 2012 and fell by 0.2 percent for the year ending June 2013. In year ending September 2014 the index fell by 0.8 percent.

Table 5: Quarterly Producer Price Indices by Division

(Base, Q2_2013 = 100.0)

ISIC	A	B	08	C	10	11	14	15	18	20	22	23	31
	TOTAL PPI	MINING AND QUARRYING	Other Mining and quarrying	MANUFACTURING	Manufacture of food products	Manufacture of beverages	Manufacture of wearing apparel	Manufacture of Leather and related product	Printing and reproduction of recorded media	Manufacture of chemical and chemical product	Manufacture of rubber and plastics products	Manufacture of other non- metallic mineral products	Manufacture of furniture
Weight (2008, CIP)	100.0	4.3	4.3	95.7	16.7	20.4	6.0		11.7		2.3	22.2	16.6
Q3_2011	82.33	89.21	89.21	82.05	94.08	83.86	75.32		59.57		59.57	90.42	83.04
Q4_2011	84.36	89.21	89.21	84.17	94.08	83.86	81.06		59.57		59.57	96.87	84.47
Q1_2012	85.38	89.21	89.21	85.22	95.34	82.52	86.13		59.57		59.57	96.87	88.58
Q2_2012	91.07	90.96	90.96	91.08	95.34	92.63	99.05		68.43		68.43	96.87	96.79
Q3_2012	97.52	87.22	87.22	97.95	98.26	92.64	97.65		100.00		100.00	96.87	103.28
Q4_2012	98.28	87.22	87.22	98.74	98.26	93.89	97.65		100.00		100.00	96.87	106.39
Q1_2013	100.15	91.70	91.70	100.50	100.00	93.89	97.65		100.00		100.00	96.87	115.13
Q2_2013	100.00	100.00	100.00	100.00	100.00	100.00	100.00		100.00		100.00	100.00	100.00
Weight (2012, CIP)	100.0	3.7	3.7	96.3	48.3	11.0	3.1	0.8	3.2	5.2	0.6	15.9	8.2
Q2_2013	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Q3_2013	100.45	101.73	101.73	100.40	98.44	98.09	102.32	100.00	106.13	100.00	100.00	100.00	113.10
Q4_2013	101.08	100.12	100.12	101.12	99.42	88.79	102.32	100.00	106.13	100.00	103.18	102.17	123.71
Q1_2014	100.68	101.44	101.44	100.65	97.76	88.81	102.30	84.34	110.91	100.00	103.18	103.92	124.18
Q2_2014	101.25	104.79	104.79	101.11	97.18	88.81	104.03	107.72	111.49	104.79	103.18	103.34	128.10
Q3_2014	100.44	105.90	105.90	100.23	96.04	88.81	104.03	107.72	102.39	104.79	103.18	103.34	127.97